

# ASHBY & GEDDES

ATTORNEYS AND COUNSELLORS AT LAW

222 DELAWARE AVENUE

P. O. BOX 1150

WILMINGTON, DELAWARE 19899

TELEPHONE  
302-654-1888

FACSIMILE  
302-654-2067

13 December 2006

## VIA E-MAIL & U.S. MAIL

Anthony C. Wilson, Esq.  
Associate General Counsel  
Pepco Holdings, Inc.  
800 King Street  
P.O. Box 231  
Wilmington, DE 19899

Re: *Delmarva Power & Light Company IRP*  
*PSC Docket No. 06-241*

Dear Anthony:

I write to you in connection with the Company's filing of its Integrated Resource Plan ("IRP") made on December 1, 2006 in compliance with the legislation passed as House Bill No. 6 and formally known as Delaware Electric Utility Retail Customer Supply Act of 2006 ("EURCSA").

Staff has had an opportunity to review the Company's filing and believes that, as filed, it fails to "systematically evaluate all available supply options during the ten-year planning period in order to acquire sufficient, efficient and reliable resources over time to meet its customers' needs at a minimal cost." Nor does it "**explore in detail** all reasonable short - and long-term procurement..." (emphasis added). The IRP is required to set forth Delmarva's supply and demand forecast for the next ten-year period the resource mix, to meet its supply obligations for that ten-year period. Review of the IRP indicates that there is no conceivable way that the PSC can analyze the submission and make any factual determinations as to whether Delmarva complied with this part of the statute.

As you are also aware, in developing the IRP, the statute states that Delmarva may consider the economic and environmental value of:

- (i) resources that utilize new or innovative baseload technologies (such as coal gasification;
- (ii) resources that provide short- or long-term environmental benefits to the citizens of this State (such as renewable resources like wind and solar power);

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- (iii) facilities that utilize existing brownfield or industrial sites;
- (iv) resources that promote fuel diversity;
- (v) resources or facilities that support or improve reliability; or
- (vi) resources that encourage price stability.

In reviewing the IRP, it is, at best, unclear as to whether Delmarva considered the value of these items. It is Staff's belief that additional information was generated by Delmarva or its consultant, ICF, or others, which was not included in the IRP materials submitted to the Commission. We would appreciate it if the Company would provide us with all information that was generated by its consultants, including but not limited to ICF, in an effort to comply with the statutory requirements of EURCSA. We believe that this information will further assist Staff and ultimately the Commission in deciding whether the IRP meets the minimum statutory requirements or should be rejected as being deficient.

If you would like to discuss this further, please don't hesitate to contact me.

Sincerely yours,



James McC. Geddes

JMcCG:dlb

cc: Bruce H. Burcat (via e-mail)  
Robert Howatt (via e-mail)  
Janis L. Dillard (via e-mail)  
Michael D. Sheehy (via e-mail)  
Mark Finfrock (via e-mail)  
William Moore (via e-mail)

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